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SENATE BILL 1840 By
Atchley

HOUSE BILL 1903
By Chumney

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 36
and Title 26, Chapter 2, relative to exemptions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-111, is amended by designating
the existing language as subsection (a) and by adding the following as a new subsection (b):

(b) Notwithstanding any provision of the law to the contrary, the board of trustees
shall promulgate rules and regulations setting forth the conditions and procedures under
which the retirement system shall honor claims under a qualified domestic relations
order. Such rules and regulations shall contain, at a minimum, the following terms and
conditions:

(1) The claims of the spouse shall only apply to divorces pending or filed
after the date on which such rules and regulations become effective; provided,
however, such date shall not be later than January 1, 1998;

(2) A former spouse shall not be eligible for payments from the retirement
system unless such payments are otherwise payable to the member in
accordance with the provisions of Chapters 34 - 37 of this title;

(3) Disability benefits shall not be subject to claims of a former spouse;

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(4) The retirement system may only accept qualified domestic relations orders which have been properly filed in the format prescribed by the retirement system;

(5) Payments to a former spouse shall not create any additional liabilities for the pension fund with payments made to a member of the retirement system reduced by the equivalent actuarial value of the payments to the former spouse;

(6) A former spouse shall not be permitted to designate another payee;
and

(7) Such rules and regulations shall not conflict with the provisions of the Internal Revenue Code or the regulations promulgated thereunder which are applicable to the retirement system.

SECTION 2. Tennessee Code Annotated, Section 26-2-104, is amended by adding a new subsection thereto as follows:

(d) Notwithstanding any provision of the law to the contrary, the governing body or governing official of a governmental entity in Tennessee responsible for the administration of a defined benefit or defined contribution plan qualified under § § 401 or 403 of the Internal Revenue Code shall establish conditions and procedures for honoring the claims of a former spouse under a qualified domestic relations order. Said conditions and procedures must be established on or before July 1, 1997, and must contain a provision requiring the pension plan to provide, upon request of the court, an estimate of the pension benefits the member has accrued during the period of the marriage. Upon furnishing such information to the court, the pension plan and its staff shall be exempt from personal attendance at any action or proceeding thereon. The estimate shall be admissible in evidence and the matters stated therein shall be presumed true in the absence of a preponderance of the evidence to the contrary. As used in this subsection, the term "qualified domestic relations order" shall mean a court

order that provides for the division of pension benefits as a settlement of marital property in a divorce. The conditions and procedures for honoring such claims by the Tennessee consolidated retirement system are set forth in Section 8-36-111.

SECTION 3. The provisions of this act shall be subject to the funding being provided in the general appropriations act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.